

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1750 – HB 1798

February 11, 2018

SUMMARY OF BILL: Requires applications for initial registration of low speed vehicles to include the manufacturer's certificate of origin indicating the vehicle's compliance with federal requirements for low speed vehicles. Prohibits initial registration of low speed vehicles if certificate of origin is not submitted.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$400/Highway Fund
Not Significant/General Fund

Decrease Local Revenue – \$1,100

Assumptions:

- Based on information provided by the Department of Revenue, there are currently 1,854 low speed vehicles registered in this state. It is estimated there are an average of 115 new initial registrations for such vehicles each year.
- Applicants with previously-owned vehicles may be unable to register since the manufacturer's certificate of origin was already surrendered when the vehicle was first registered.
- It is estimated that 20 percent or 23 (115 x 20.0%) vehicles each year would be unable to register as a result of more stringent standards.
- The registration fee is \$17.25.
- The total recurring decrease in state revenue is estimated to be \$397 (23 x \$17.25).
- Approximately 95 percent of motor vehicle registration fees is allocated to the Highway Fund; the remaining 5 percent is allocated to the General Fund.
- The recurring decrease in revenue to the Highway Fund is estimated to be \$377 (\$397 x 95%); the recurring decrease in revenue to the General Fund is estimated to be \$20 (\$397 x 5%).
- Fifty-nine out of 95 counties in Tennessee impose a motor vehicle privilege tax. The average tax rate among the 59 counties that impose the tax is estimated to be \$47.00.
- The total decrease in local revenue is estimated to be \$1,081 (\$47 x 23).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh